



FOR IMMEDIATE RELEASE

**PHOENIX COAL ANNOUNCES BOB BUCHAN AS CEO, UPCOMING
TRANSITION PLAN, AND NAME CHANGE TO 'ELGIN MINING INC.'**

LOUISVILLE, KY, March 26, 2010 – Phoenix Coal Inc. (TSX: PHC) (“Phoenix” or the “Company”) announced it is transitioning the focus of the Company from coal mining to other natural resources after successfully divesting of its coal assets. Consistent with this change in focus, the Company will be changing its name to Elgin Mining Inc., pending shareholder approval, and installing Robert M. (Bob) Buchan as CEO in addition to his existing role as chairman. Unless otherwise noted, all reserves and resources are expressed in imperial tons, and all financial information is expressed in U.S. dollars.

Divestiture of Coal Assets

Over the course of the last several months, Phoenix has been in the process of selling its coal assets as part of an initiative to redeploy its capital in other areas of the natural resources and mining sectors. The divestiture of Phoenix’s coal assets was completed through three separate transactions (“Coal Asset Divestitures”):

- On September 30, 2009, the Company sold substantially all of its surface coal mining assets to a privately-owned Ohio-based coal producer, Oxford Mining Company, LLC (“Oxford”) for total consideration, including the assumption of certain liabilities, of approximately \$32.2 million.
- In February 2010, the Company sold its Panama South Reserves to a major U.S. coal producer for \$10 million in cash.
- On March 17, 2010, Phoenix announced that it has entered into a definitive agreement to sell the Gryphon reserve and certain other associated assets (the “Gryphon Assets”) to a major U.S. coal producer for \$23 million in cash (the “Gryphon Transaction”).

Upon closing of the Gryphon Transaction and as a result of the Coal Asset Divestitures, Phoenix is expected to have an estimated \$56.2 million of restricted and unrestricted cash.

New Management

Consistent with the shift out of the coal industry, the Company will be installing new management. Effective immediately, Robert M. (Bob) Buchan will begin serving as Chairman, President and CEO. Previous CEO, David A. Wiley, will serve in an advisory role on an “as needed” basis to facilitate the Company’s transition out of the coal industry.

Preliminary Transition Plan

Having exited the coal business, divested of the associated encumbrances, and increased its cash balance, the Company reports it is positioned to selectively evaluate and acquire assets that will potentially create more value for shareholders in the near-term. Management and the board cite the prevalent existence of opportunities in the global resource sector in which the Company’s capital may be redeployed.

The Company will continue to be led by a distinguished board of directors. The board is made up of individuals who have had long histories of success in a variety of resource and non-resource companies. The board and management team have founded or been active members of companies such as Kinross Gold Corporation; Allied Nevada Gold Corp.; Sprott Resource Corp.; RAM Power, Corp.; Gabriel Resources Ltd., Algonquin Power Fund, and others.

“We as a board are committed to finding an opportunity in the natural resources area, to replace the lost value that occurred in the last two years,” said Robert M. (Bob) Buchan, Chairman and incoming CEO of Phoenix Coal. “In taking the role of CEO, I am expressing my commitment to this goal.”

Notice of Meeting

The Company has announced it will be holding an annual and special meeting of the shareholders of the Company (“Annual Meeting”). The Annual Meeting will be held at The Toronto Board of Trade, 1 First Canadian Place, Adelaide Street West, Suite 350, Toronto, Ontario M5X 1C1, on April 28, 2010 at 8:30 a.m. (Toronto time).

About Phoenix Coal Inc.

Phoenix Coal will be renamed Elgin Mining Inc., pending approval by shareholders. The Company headquarters will be moved from Louisville, Kentucky to Toronto, Ontario.

FORWARD-LOOKING STATEMENTS

Certain information set forth in this press release contains “forward-looking statements”, and “forward-looking information” under applicable securities laws. Except for statements of historical fact, certain information contained herein constitutes forward-looking statements which include management’s assessment of Phoenix’s future plans and operations and are based on Phoenix’s current internal expectations, estimates, projections, assumptions and beliefs, which may prove to be incorrect. Some

of the forward-looking statements may be identified by words such as “expects” “anticipates”, “believes”, “projects”, “plans”, and similar expressions. These statements are not guarantees of future performance and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause Phoenix’s actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements, without limitations, which forward-looking statements included the production run rate Phoenix expects to achieve at full production. These risks and uncertainties include, but are not limited to: liabilities inherent in coal mine development and production; geological, mining and processing technical problems; Phoenix’s inability to obtain required mine licenses, mine permits and regulatory approvals required in connection with mining and coal processing operations; dependence on third party coal transportation systems; competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel; incorrect assessments of the value of acquisitions; changes in commodity prices and exchange rates; changes in the regulations in respect to the use of coal; the effects of competition and pricing pressures in the coal market; the oversupply of, or lack of demand for, coal; currency and interest rate fluctuations; various events which could disrupt operations and/or the transportation of coal products, including labor stoppages and severe weather conditions; the demand for and availability of rail, port and other transportation services; changes in mineral reserve and mineral resource estimates; and management’s ability to anticipate and manage the foregoing factors and risks. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Phoenix undertakes no obligation to update forward-looking statements if circumstances or management’s estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.

The TSX has neither approved nor disapproved of the contents of this press release.

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